



Fair Labor Standards Act (FLSA)

Updated \ October 17, 2024

Considerations for Raise to FLSA Minimum

Categories	Considerations for raising to minimum	Considerations for <u>not</u> raising to minimum
Overtime	Large amount year-round; difficult to anticipate	Small amount, and/or only sporadic or seasonal; and/or easy to anticipate
Cost of overtime vs. cost of raising salaries (using breakeven calculator)	Small difference in cost of paying overtime vs. raising to minimum	Large difference in raise to minimum vs. cost of paying overtime
Pay Plan	Pay plan increase will not get employee to new threshold	Pay plan adjustment will take employee to new threshold
Funding	Available	Not available
Cost of managing/ tracking hours	Additional cost of managing/tracking hours is greater than raising to minimum	Additional cost of managing/tracking hours is less than raising to minimum
Possibility for creating equity or compression issues (among employees in similar titles/roles; between employees/supervisors)	Lack of issues; or issues which can be resolved	Probable and unresolvable issues
Ability to manage workload (reassign or shift work, reduce work, create efficiencies, hire new staff)	Difficult	Not difficult
Ability to use compensatory time	Difficult	Not difficult
Fluctuations in employee FTE resulting in change in FLSA status	Low fluctuation in FTE	High fluctuation in FTE

